

C. DUKES SCOTT  
EXECUTIVE DIRECTOR

1411 Main Street, Suite 300  
Columbia, SC 29201



DAN E. ARNETT  
CHIEF OF STAFF

Main Line: (803) 737-0800  
Legal Department: (803) 737-0877

FLORENCE P. BELSER  
GENERAL COUNSEL

**VIA Efiling and Hand Delivery**

April 24, 2007

lhammon@regstaff.sc.gov

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Re: Application of Chem-Nuclear Systems, LLC for Adjustment in the Levels of  
Allowable Costs and for Identification of Allowable Costs  
Docket No.: 2000-366-A

Dear Mr. Terreni:

Enclosed for filing please find the **Revised Exhibit AA** to be substituted for the original Exhibit AA of the "South Carolina Office Of Regulatory Staff Examination Of The Application Of Chem-Nuclear Systems, LLC, For Adjustment In The Levels Of Allowable Costs For The Fiscal Year Ended June 30, 2006 And For Identification Of Allowance Costs For The Fiscal Year Ending June 30, 2007" attached to the Settlement Agreement filed on March 22, 2007 in the referenced docket.

The column labeled "Actual Through 11/30/2006" on the original Exhibit AA Page 1 of 2 inadvertently failed to make a distinction between the various categories of cost (fixed, variable, and irregular). The original Exhibit AA included all allowable costs (including reimbursable taxes and fees) incurred during the period from 07/01/2006 through 11/30/2006 in fixed costs. The Revised Exhibit AA indicates the amounts of actual allowable costs incurred through 11/30/2006 in each of the three main categories of cost as well as the specific subcategories of cost identified in the Application filed by Chem-Nuclear.

The revised numbers reflected in the Revised Exhibit AA do not impact the calculation of Chem-Nuclear's request for recovery of allowable costs for the year ended June 30, 2006. Furthermore, the calculation of variable rates for the year ending June 30, 2007 are not impacted as these are based on historical costs through June 30, 2006. The purpose of the Revised Exhibit AA is solely to more accurately represent Chem-Nuclear's projection of a range of expenditures in the fixed and irregular categories of operating costs for the year ending June 30, 2007.

ORS apologizes for any inconvenience this error may have caused the Commission or any party.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. L. Hammonds', written in a cursive style.

C. Lessie Hammonds

CLH/pjm

Enclosure

**Chem Nuclear Systems, LLC**  
**Proposed Fixed, Irregular and Variable Costs**  
**For the Fiscal Year Ending June 30, 2007 To Date**

**Exhibit AA**  
**(Revised)**  
Page 1 of 2

	Per Revised Application	Actual Through 11/30/2006	Difference
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**FIXED COSTS**

**Fixed Costs to which 29% operating margin is added:**

Labor and Fringe	\$ 3,170,000	\$ 1,164,795	\$ 2,005,205
Non Labor	1,232,000	446,769	785,231
Corporate Allocations (Management Fees/G&A)	1,245,272	907,490	337,782
Depreciation	225,000	95,284	129,716
Insurance	787,254	276,094	511,160
Equipment Leases and Support	400,000	207,838	192,162
	<u>7,059,526</u>	<u>3,098,270</u>	<u>3,961,256</u>
<b>Total Margin Costs</b>			

**Fixed Costs to which 29% operating margin is not added:**

Intangible Asset Amortization	625,000	260,417	364,583
Employee Retention Compensation	99,637	43,777	55,860
Legal Support (license appeal)	75,000	74,446	554
	<u>799,637</u>	<u>378,640</u>	<u>420,997</u>
<b>Total Non-margin Costs</b>			
	<u>\$ 7,859,163</u>	<u>\$ 3,476,910</u>	<u>\$ 4,382,253</u>
<b>Total Fixed Costs</b>			

**IRREGULAR COSTS**

Trench Construction	\$ 60,000	\$ 68,104	\$ (8,104)
License Appeal	20,000	7,169	12,831
Corrective Actions	14,766	1,052	13,714
Site Engineering Drawings	60,000	30,351	29,649
Irregular Components	40,000	780	39,220
Miscellaneous	15,000	9,678	5,322
	<u>209,766</u>	<u>117,134</u>	<u>92,632</u>
<b>Total Irregular Costs</b>			

**Chem Nucear Systems, LLC**  
**Proposed Fixed, Irregular and Variable Costs**  
**For the Fiscal Year Ending June 30, 2007 To Date**

**Exhibit AA**  
**(Revised)**  
**Page 2 of 2**

**VARIABLE RATES**

	<u><b>Costs</b></u>	<u><b>Variable Factor</b></u>
Class A Waste	<u>35.00</u>	Per Cubic Foot
Class B Waste	<u>36.72</u>	Per Cubic Foot
Class C Waste	<u>36.15</u>	Per Cubic Foot
Slit Trench Waste	<u>128.07</u>	Per Cubic Foot Per Non Slit Trench
A, B & C Waste	<u>1,009.56</u>	Shipment
Slit Trench Shipment	<u>9,975.32</u>	Per Slit Trench Shipment
Customer Assistance	<u>264.67</u>	Per Shipment
Vault Purchase, Inspection & Placement	<u>71.72</u>	Per Vault
Trench Records	<u>56.43</u>	Per Container

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2000-366-A**

IN RE:

Chem-Nuclear Systems, LLC - Application for	)	
Approval of Allowable Costs (1st Filing) Application	)	<b>CERTIFICATE</b>
for Adjustment in the Levels of Allowable Costs and	)	<b>OF SERVICE</b>
for Identification of Allowable Costs	)	
(2nd Filing and After)	)	

This is to certify that I, Pamela J. McMullan, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **REVISED EXHIBIT AA** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

**William F Austin, Esquire**  
Austin, Lewis & Rogers  
Post Office Box 11716  
Columbia, SC 29211

**Robert T. Bockman, Esquire**  
McNair Law Firm, P.A.  
PO Box 11390  
Columbia, SC 29211

**Frank R. Ellerbe, III, Esquire**  
Robinson, McFadden & Moore  
Post Office Box 944  
Columbia, SC 29202

**Henry McMaster**  
South Carolina Attorney General  
Post Office Box 11549  
Columbia, SC 29211

**Stephen R. Van Camp, Esquire**  
SC Budget and Control Board  
Post Office Box 11608  
Columbia, SC 29211

**Evander Whitehead**  
SC Dept Health and Environ Svcs  
1362 McMillan Ave, Ste 400  
Charleston, SC 29405

**Mitchell M. Willoughby, Esquire**  
Willoughby & Hoefer, P.A.  
Post Office 8416  
Columbia, SC 29202

April 24, 2007  
Columbia, South Carolina

  
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Pamela J. McMullan